

Economic Contracts

Legislation

Except for some specific trading contracts regulated by the Commercial Law dated 14 June 2005, all the contracts shall be subject to the general provisions of the Civil Code, which was adopted by the NA on 24 November 2015 and became effective from 1 January 2017. This is regarded as a great change in the business environment in Vietnam, in the way that synchronizing the contract regime in Vietnam.

Features of the Contract

Although this is not a true vehicle for doing business in Vietnam, it is advised that foreign businessmen who wish to do business in Vietnam, should pay a due attention toward this kind of contract because of its relevance to their business and/or undertakings in Vietnam.

Business contract should be in writing, with or without notarization, subject to the nature of the transactions; and signed by the legal representatives of the contractual sides, whose name must be clearly recorded in the enterprise registration certificate/ investment registration certificate and the charter in case the signatory is a legal person; and must be stamped by the seal of a contracting party being a legal entity according to the regulations on management and use of the seal or the charter of that party.

A business contract must contain principal matters such as the description of products or services, with defined quantity and quality, the fixed price, the proposed time and mode of payment, and the conditions for delivery of goods and services, penalties and indemnity, etc. Subject to the negotiations of the contractual parties, the terms and conditions on guarantee, the duration and the settlement of disputes should be also included.